

Application No.: 09/752,650

9

Docket No.: 468182000100

REMARKS

Claims 79-111 stand rejected in the present Office Action. In this response, claims 79-84, 87-90, 95-97, 99, 102, 104, 106, and 108-109 are amended, and claims 85-86, 91-94, 98, 103, 105, 107, and 110-111 are canceled without prejudice. Accordingly, claims 79-84, 87-90, 95-97, 99-102, 104, 106, 108-109 are pending and under consideration in the present application. Applicants respectfully request reconsideration of the present application in view of the foregoing amendments and reasons.

35 U.S.C. § 112, second paragraph, rejection

In Paragraphs 1-6 of the Office Action, claims 79-85, 96-97, and 105-109 are rejected under 35 U.S.C. § 112, second paragraph. In particular, the Examiner stated that:

Claims 79-85 recites the limitation "the company's authorized agent" in line 12. There is insufficient antecedent basis for this limitation in the claim.

Claim 84 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It recites the phrase "... transaction in accordance with the company employee." It is unclear how a transaction could be in accordance with an employee. It is assumed f[or] examination purposes that the transaction is in accordance with an authorization of an employee.

Claim 96 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It recites the phrase "... further configured to update to the company's tax liability." Perhaps it is intended that information related to the tax liability is updated.

Claim 97 is rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It recites the phrase "... wherein the device comprises ... specialists and manager." It appears that humans are an element of a device.

Claims 105-109 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention. It recites the phrase "... substantially in real-time", which is indefinite.

sf-1961182

Application No.: 09/752,650

10

Docket No.: 468182000100

In amended claims 79-84, the phrase "the company's authorized agent" has been deleted. In amended claim 84, the phrase "transaction in accordance with the company employee" has been deleted. Claim 85 is canceled without prejudice.

In claim 96, the phrase "further configured to update to the company's tax liability" has been deleted. In claim 97, the phrase "specialists and managers" has been deleted.

In amended claims 106 and 108-109, the phrase "substantially in real-time" has been deleted. Claims 105 and 107 are canceled without prejudice.

35 U.S.C. § 101 rejection

In Paragraphs 7-15 of the Office Action, claims 79-84 and 110-111 are rejected under 35 U.S.C. § 101 as being directed to non-statutory subject matter. In particular, the Examiner stated that:

In the present application, these Claims have no connection to the technological arts. None of the steps indicate any connection to a computer or technology. The preamble of Claims 79-84 recites computer implementation, but there is not reference to technological features such as a computer in the body of the claims. Claims 110-111 recite a system, which is indeterminate as to its nature; reference is made in the body of the claims to software and databases, but there is no positive recitation of technology such as a computer. Therefore, the claims are directed towards non-statutory subject matter. To overcome this rejection the Examiner recommends that Applicant amend the claims to better clarify which of the steps are being performed within the technological arts, such as incorporating a computer network or electronic network into the preamble and relevant elements in the body of the Claims.

Claims 110-111 are canceled without prejudice. Claims 79-84 are amended to recite a computer-implemented method wherein the method steps are implemented utilizing each of an input device and a database in communication with an administration software.

35 U.S.C. § 103 rejection of claims 79-94 and 105-109

In Paragraphs 16-41 of the Office Action, claims 79-94 and 105-109 are rejected under 35 U.S.C. § 103(a) as being unpatentable over SEC EDGAR submission 001012870-98-001814

sf-1961182

Application No.: 09/752,650

11

Docket No.: 468182000100

("SEC2") in view of U.S. Patent No. 6,374,270 (Maimon et al.). In particular, the Examiner stated that:

With respect to Claim 79, SEC2 discloses the invention substantially as claimed, including in a comprehensive and integrated method of filing information on changes on a company's capitalization structure (filing of an SEC Form S-1 for issuance of Common Stock, see page 2-3; also entire document as comprehensive and integrated), steps of:

Initiating a capitalization-affecting activity by a company agent (pages 4-5, offering of sales of common stock for sale by an Goldman, Sachs and Co.)

Classification of the capitalization-affecting activity as to security type (pages 4-5, Common Stock; page 26) and transaction (Common Stock being sold, same cites) the company's capitalization structure being maintained in a database and in accordance with governmental regulations (EDGAR database as well as EBAY accounting databases, pages 87-88, "Consolidated Statement of Stockholders' Equity");

Authorization from company agents, when required to complete a capitalization-affecting activity (pages 68-70, Equity Incentive and ESPP plan adoption by Directors and approval by voting stockholders);

Execution of a capitalization-affecting activity (pages 69-70, execution of ESPP).

SEC2 does not specifically disclose details of computer implementation of its method. Maimon discloses a computer implementation for the preparation of disclosure documents, such as SEC2, for governmental entities at Figs. 1, 2, 3A and 3B and related text. It would have been obvious to one of ordinary skill in the art at the time of the invention to implement SEC2 on the computer system of Maimon because this would provide a hardware mechanism for the performance of the method.

Independent claim 79 is amended to recite, among other things, that a vesting schedule particular for a person is determined in response to a capitalization-affecting request. Independent claim 79 also recites, among other things, that company restrictions, a record of the person, and governmental restrictions, all relating to the capitalization-affecting request, are accessed to automatically determine the vesting schedule particular for the person. Upon automatic determination of the vesting schedule, the record of the person and the company's capitalization structure stored in the database are automatically updated in accordance with the vesting schedule. See Page 2, paragraph 4; page 8, paragraph 26; page 10, paragraph 28; page 19, paragraph 44.

sf-1961182

Application No.: 09/752,650

12

Docket No.: 468182000100

SEC2 is a SEC Form S-1 filing regarding offer of common stock of EBay by underwriter Goldman, Sachs & Co. See pages 1-5. In SEC2, there is discussion of Employee Benefit Plans, where a certain number of shares of common stock are stated as being reserved for a given year for option grants to employees. An Employee Stock Purchase Plan (ESPP), where a certain number of shares of common stock are reserved for purchase by employees is also discussed. General eligibility requirements for participation in the Employee Benefit Plans and ESPP are discussed. See pages 68-70.

The Examiner stated that the "invention substantially as claimed" is "filing information on changes on a company's capitalization structure (emphasis added)." The Examiner stated that the offer of common stock by underwriter Goldman, Sachs is a capitalization-affecting activity; that the offer being for common stock is a classification of the capitalization-affecting activity; that the common stock is to be sold is a transaction; and that execution of the ESPP is an execution of the capitalization-affecting activity. Applicants respectfully disagree with the Examiner's characterization.

Amended claim 79 is directed to a computer-implemented method for facilitating comprehensive and integrated management and administration of changes to a company's capitalizations structure. Claim 79 does not recite filing of information to the SEC. Claim 79 recites automatically determining a vesting schedule that is particular for a person, in response to a capitalization-affecting request from the person or made on behalf of the person. The company restrictions relating to the capitalization-affecting request, a record of the person relating to the capitalization request, and governmental restrictions relating to the capitalization-affecting request are accessed to automatically determine the vesting schedule.

For example, if the capitalization-affecting request is a request to grant an option, the company and/or the government may have a \$100,000 limit per year per person rule relating to incentive stock options (ISO) (hence, company restrictions and governmental restrictions are accessed). Since the request for the option grant may initially be treated as a request for an ISO grant, information about how much ISO grant the person already has is required (hence, the record

sf-1961182

Application No.: 09/752,650

13

Docket No.: 468182000100

of the person is accessed). If the already existing ISO grant(s) for that person and the current request to grant an option would together exceed the \$100,000 limit and the person is a qualifying employee of the company, then the current option request would be divided into an ISO grant and a non-qualifying stock option (NSO) grant, the grant division consistent with the \$100,000 limit rule. Moreover, where the record of the person indicates that his ISO exceeds the limit due to an early exercise, the ISOs in excess of the \$100,000 limit can be automatically allocated to be exercisable in the following year. “[T]his grant division [is performed] automatically, thus eliminating the need to run extra reports and obviating the possibility of incorrectly granted ISOs.” See Page 14, paragraph 34.

The vesting schedule and classification of the request are thus uniquely determined based on the person (or on behalf of the person) making the request. Continuing the example, if the person is not an employee, than the option is granted as a NSO. If the person is an employee, the option is granted as an ISO, NSO, or a combination of both types of stock options depending on the option plan specified by the company, statutory limitations (e.g., not to exceed \$100,000 per calendar year per employee of ISO), and the person’s previous exercise of options. As such “where the ISO exceeds the limitation due to [an] early exercise, the system will automatically allocate those ISOs in excess of the \$100,000 statutory limit to be exercisable in the following calendar year.” See Page 12, paragraph 33-page 14, paragraph 34. Hence, two identical capitalization-affecting requests can result in different vesting schedules (and classification of the request), depending on, for example, the person(s) making the request or different points in time of the requests.

In contrast, the outcome of the capitalization-affecting request in SEC2 does not depend on who is making the request. The Examiner states that Goldman Sachs is the entity/person initiating a capitalization-affecting activity (“offering of sale of common stock”). However, there is no disclosure in SEC2 of use of a record about Goldman Sachs or that a record about Goldman Sachs is accessed in order to uniquely classify the request and to determine a vesting schedule particular for the person making the request, as recited in amended independent claim 79.

sf-1961182

Application No.: 09/752,650

14

Docket No.: 468182000100

The Examiner states that the "classification" of the capitalization-affecting activity is a determination that it is common stock and that completing or executing the capitalization-affecting activity is "execution of an ESPP." However, the underwriter could have been Goldman Sachs, Morgan Stanley, or a number of other underwriting companies and the "classification" would still be common stock. The execution of the ESPP also has nothing to do with Goldman Sachs. SEC2 at pages 68-70 (as pointed out by the Examiner) discusses the participation rules and restrictions regarding the ESPP (e.g., the number of shares of stock available for option grants; the amount of options grantable per person) and EBay board of directors' various adoptions or items pending approval. This is at most a disclosure of EBay's rules for employee stock plans.

Alternatively, even if SEC2 could be characterized to mean that a portion of the common stock being offered is being "classified" as an ESPP, this portion of the common stock is not necessarily being "classified" as an ESPP because Goldman Sachs is the person offering the common stock. Goldman Sachs, Morgan Stanley, or any other number of underwriting companies could have offered the common stock, and EBay would still have "classified" some of the common stock for an ESPP. Additionally, the ESPP does not have a vesting schedule that is particularly as is because of Goldman Sachs, as recited in amended independent claim 79. Goldman Sachs' record of past EBay securities transactions, even if one existed, would have no relevance in EBay setting up its ESPP.

The Examiner states that the completion of the request is the "execution" of the ESPP at pages 69-70 of SEC2. Applicants are unable to find disclosure of execution of the ESPP (e.g., persons actually exercising options or a specific number of options being granted to a particular person, etc.) in SEC2, or that the execution of the ESPP is determined based, at least in part, on Goldman Sachs' record.

Accordingly, SEC2 fails to disclose the combination of accessing company restrictions, governmental restrictions, and a record of the person, all relating to the particular capitalization-affecting request, in order to uniquely classify the capitalization-affecting request and automatically determine a vesting schedule particular for the person making the request, as recited in amended

sf-1961182

Application No.: 09/752,650

15

Docket No.: 468182000100

independent claim 79. SEC2 also fails to disclose automatically updating the record of the person making the request in accordance with the automatically determined vesting schedule, because no record of a person or on behalf of a person is disclosed.

With respect to Maimon et al., the Examiner states that "Maimon discloses a computer implementation for the preparation of disclosure documents, such as SEC2, for governmental entities..." As discussed above, amended claim 79 does not recite filing of disclosure documents to governmental entities.

Moreover, the combined teachings of SEC2 and Maimon et al. do not disclose the combination of elements recited in amended claim 79. Even if hardware is disclosed in Maimon et al., Maimon et al.'s hardware is not configured to perform the steps recited in amended claim 79. (See also next section below.) Maimon et al. also does not disclose the various elements missing in SEC2.

Claims 85-86, 91-94, 105, and 107 are canceled without prejudice. Claims 106 and 108-109 are amended to depend from independent claim 95. Claims 80-84 and 87-90 are amended consistent with amended independent claim 79 and to address the 35 U.S.C. § 112, second paragraph, rejection (see above).

Accordingly, it is respectfully submitted that rejection of amended independent claim 79 has been overcome. It is further submitted that the rejection of each of claims 80-84 and 87-90, which depend directly or indirectly from amended independent claim 79, has also been overcome for at least the same reasons as for claim 79.

35 U.S.C. § 103 rejection of claims 95-104 and 110-111

In Paragraphs 42-55 of the Office Action, claims 95-104 and 110-111 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Maimon et al. in view of SEC2. In particular, the Examiner stated that:

sf-1961182

Application No.: 09/752,650

16

Docket No.: 468182000100

With respect to Claim 95, Maimon discloses the invention substantially as claimed, including in a computerized system for integrated handling of securities information (Background of the Invention), elements of:

A database comprising data relating to a capitalization structure of a company (Fig. 3A, ele. 309);

Database administrator software in communication with the database (Col. 4, lines 28 to Col. 5, line 14);

A device in communication with the database administrator software, wherein the device is configured to transmit security information from a user directly authorized by the company (Col. 4, lines 49-52), wherein the information relates to the company's securities (Appendix A; Background of the Invention);

Wherein the system considers legal requirements (Fig. 3A, ele. 313), unique identification of the user (Col. 4, Lines 49-52) and determines compliance with governmental regulations and legal requirements with respect to the security information (Col. 12, lines 29 to Col. 14, line 10).

Maimon does not specifically disclose that the information relates to a security transaction request affecting a capitalization structure. SEC2 discloses these limitations at pages 4-5, Common Stock and page 26. This Form S-1 is clearly developed for the purpose of providing information of a security transaction (stock sale), which affects the capitalization structure of a company, eBay, Inc. It would have been obvious to one of ordinary skill in the art at the time of the invention to modify the corporate disclosure system for SEC submissions of Maimon to process the request for transactions affecting capitalization disclosed by SEC2 because this would allow users to meet disclosure requirements of governmental entities, such as the SEC, and allow determination of compliance to allow a sale of stock.

Amended independent claim 95 recites, among other things, that a unique vesting schedule for a user is automatically calculated in response to the security transaction request in accordance with company restrictions, a record regarding the user, and governmental restrictions. Amended independent claim 95 also recites, among other things, that the unique vesting schedule can differ for a vesting schedule for the same security transaction request, the same security transaction request made by a different user, on behalf of the different user, or at a different point in time.

Maimon et al. discloses a "corporate disclosure and repository" system for accepting free text documents from a variety of reporting entities involved in preparation of disclosure documents.

sf-1961182

Application No.: 09/752,650

17

Docket No.: 468182000100

Reporting entities (also referred to as "users" of the system) include a legal department, auditing department, accounting department, VPs and Officers, CFO, President/CEO, and Board of Directors. Next, the text is related, organized, and otherwise formatted so as to store in a coherent manner in a raw relational database. The text can be related to images, figures, objects, electronic signatures, and other non-text data. The text can be ordered with respect to report formats and specific business and legal rules. The data contained in the raw relational database is then transformed by extraction (to produce abstracts) and diagonalization (to produce one or more grouped databases). Statistical analysis is applied to the one or more grouped databases to produce an inference database. Lastly, from the inference database, questions can be formulated, discoveries of trends or missing information made, and other analysis performed so as to generate the desired disclosure document(s). See Col. 3, line 60-col. 5, line 54; col. 13, line 10-col. 14, line 10; abstract; Fig. 3A; Fig. 4.

The Examiner states that "[i]t would have been obvious . . . to modify . . . Maimon to process the request for transactions affecting capitalization disclosed by SEC2." However, Maimon et al. discloses a system for creating various databases, so as to utilize the data within the databases for preparation of disclosure documents. Such a system is radically different from the computerized system recited in claim 95, where a unique vesting schedule for a particular user requesting a security transaction request is determined. Maimon et al. does not disclose determination of a unique vesting schedule as recited in Applicants' amended claim 95.

When data is entered into the Maimon et al. system, the "user" entering the data is relevant for purposes of determining whether the "user" is an authorized person. See col. 4, lines 49-52. Hence, if each of two authorized persons input identical data, the treatment of the data would be the same. In contrast, the system of amended claim 95 determines the unique vesting schedule dependent on a particular user. Amended claim 95 recites that the record regarding the user includes data relating to an employment status of the user with the company and execution status of previous security transaction requests by the user. Amended claim 95 further recites that the same transaction request can cause different vesting schedules.

sf-1961182

Application No.: 09/752,650

18

Docket No.: 468182000100

The data inputted by various reporting entities or "users" of Maimon et al. are corporate disclosure information. Amended claim 95 recites inputting a security transaction request. A request, by definition is to ask for something, and is thus subject to acceptance or denial. The corporate disclosure information of Maimon et al. is not asking for anything. It is merely information to be placed in databases for analysis.

Amended independent claim 95 is thus directed to a personalized request and automatic calculation of a unique vesting schedule in response to the personalized request. The automatic calculation of the unique vesting schedule is dependent on the company restrictions, record regarding the user making the personalized request, and governmental restrictions. The capitalization structure of the company is automatically updated in accordance with the unique vesting schedule.

Lastly, there is no disclosure in Maimon et al. to modify its system to perform the combination of elements recited in amended claim 95. There is also no disclosure in SEC2 to modify the system of Maimon et al. to perform the combination of elements recited in amended claim 95. The combination of Maimon et al. and SEC2 does not result in the combination of elements recited in amended claim 95.

Claims 98 and 110-111 are canceled without prejudice. Claims 96-97, 99, 102, 104, 106, and 108-109 are amended consistent with amended independent claim 95 and to address the 35 U.S.C. § 112, second paragraph, rejection.

Accordingly, Applicants respectfully submit that rejection of amended independent claim 95 has been overcome. It is also respectfully submitted that rejection of each of claims 96-97, 99, 102, 104, 106, and 108-109, which depend directly or indirectly from claim 95, have been overcome for at least the same reason as for claim 95.

In view of the above, each of the presently pending claims in this application is believed to be in immediate condition for allowance. Accordingly, the Examiner is respectfully requested to withdraw the outstanding rejection of the claims and to pass this application to issue. If it is

sf-1961182

Application No.: 09/752,650

19

Docket No.: 468182000100

determined that a telephone conference would expedite the prosecution of this application, the Examiner is invited to telephone the undersigned at the number given below.

In the event the U.S. Patent and Trademark office determines that an extension and/or other relief is required, applicant petitions for any required relief including extensions of time and authorizes the Commissioner to charge the cost of such petitions and/or other fees due in connection with the filing of this document to Deposit Account No. 03-1952 referencing docket no. 468182000100. However, the Commissioner is not authorized to charge the cost of the issue fee to the Deposit Account.

Dated: July 11, 2005

Respectfully submitted,

By Katherine Lee
Katherine D. Lee
Registration No.: 44,865
MORRISON & FOERSTER LLP
425 Market Street
San Francisco, California 94105-2482
(415) 268-6983

sf-1961182